

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**SB 1927 - HB 1848**

February 16, 2014

**SUMMARY OF BILL:** Creates the Tennessee Rural Teachers (TRT) Scholarship Act. Defines “rural county” as a county that is primarily rural and in which the local education agencies (LEAs) within that county have difficulty attracting teachers to teach in their public schools. Requires the Tennessee Higher Education Commission (THEC) to determine each year which counties qualify as rural counties and notify the counties of this identification. Requires THEC and the Tennessee Student Assistance Corporation (TSAC) to post a list of such counties on their websites. Sets forth the requirements to receive a TRT scholarship, including an agreement to teach in a Tennessee public school in a rural area for an equal number of years the student received the TRT scholarship; continuing scholarship eligibility; and terminating events. Requires TRT scholarship recipients to sign a promissory note each year they receive a scholarship which holds them responsible for repaying the scholarship if the teaching obligation requirement is not fulfilled. Sets the TRT scholarship amount to be \$2,000 for FY14-15. In subsequent years, the scholarship amount shall be set in the general appropriations act. Requires funding for the program to be paid from net lottery proceeds allocated to the Lottery for Education Account. The program shall begin in the 2014-2015 academic year.

**ESTIMATED FISCAL IMPACT:**

On February 11, 2014, a fiscal note was issued estimating a fiscal impact as follows:

*Increase State Expenditures –  
Exceeds \$100,000/Lottery for Education Account*

Due to new information received from the Tennessee Student Assistance Corporation (TSAC), this impact was in error. Based on the new information provided by TSAC, the estimated impact is:

**(CORRECTED)**

**Increase State Expenditures – \$228,000/Lottery for Education Account**

Corrected Assumptions:

- Based on information received from TSAC and the Department of Finance and Administration, there are 57 rural counties in Tennessee.
- TSAC estimates that there will be two recipients per county and that each recipient will receive a TRT scholarship of \$2,000.

**SB 1927 - HB 1848 (CORRECTED)**

- The scholarship amount will remain relatively constant in FY15-16 and subsequent fiscal years.
- The recurring increase in state expenditures from the Lottery for Education Account is estimated to be \$228,000 (\$2,000 award x 57 counties x 2 recipients).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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